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COOK COUNTY ILLINOIS  
FILED FOR RECORD

Chicago, Illinois 60697  
231 South LaSalle Street  
and Trust Company of Chicago  
Continental Illinois National Bank  
Law Department (105/9)

returned to: Thomas A. Van Beckum, Jr., Esq.  
This document was prepared by  
and after recording should be

BOX 333 - CG

D. Liabilities & Future Advances. The parties intend to secure (on a priority basis from the date of recording of this Mortgage) payment of the "Liabilities" (as defined in both the Loan Agreement and the Hyde Park Loan Agreement) including both loans, whether the entire amount of either loan shall have been advanced this date or at a later date, or having been advanced, shall have been repaid in part or in full and further advances made at a later date. At any time before this Mortgage's cancellation and release, the Note, Loan Agreement and Mortgage, may from time to time be modified or amended in writing by the parties thereto to include additional future

C. Hyde Park Loan. The Mortgagee has made a certain loan in the amount of \$100,000 ("Hyde Park Loan") in favor of Mortgagee which loan is evidenced by a certain line of Credit Agreement ("Hyde Park Loan Agreement") and Promissory Note ("Hyde Park Note") and is secured by a certain Mortgage and Security Agreement and various other loan documents (collectively, the "Hyde Park Loan Documents"), all of which are dated April 1, 1988. The Hyde Park Loan Agreement provides for Mortgagee to make advances from time to time in principal amounts not to exceed \$100,000 in the aggregate. The Hyde Park Loan would be payable as set forth in the Hyde Park Loan Agreement, with a maturity date of April 1, 1989.

B. Loan. Mortgagee and Terry Fouks ("Fouks"), an individual, have entered into a certain line of credit arrangement under a Loan Agreement, as amended from time to time (the "Loan Agreement") with Mortgagee as "Lender", and have delivered a Promissory Note (the "Note"), both dated as of November 1, 1989, providing for loans and advances from time to time, to or for the benefit of Mortgagee and Fouks (the "Loan"). The Loan is payable as set forth in the Loan Agreement, with a maturity date of December 1, 1993, in a maximum principal amount not to exceed ONE MILLION THIRTY THOUSAND AND NO/100 DOLLARS (\$1,030,000.00) at any one time outstanding, plus interest.

A. Real Estate. The Mortgagee is the owner and holder of fee simple title in and to all of the real estate described in Exhibit A attached hereto and made a part hereof ("Real Estate") which Real Estate forms a portion of Premises (as defined below).

R E C I T A L S

THIS LINE OF CREDIT made as of the 3rd day of November, 1988 by AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO as trustee under Trust Agreement dated November 3, 1988 and known as Trust Number 106877-05 ("Mortgagee"), to CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, a national banking association (together with its successors and assigns, the "Mortgagee"),

MORTGAGE AND  
SECURITY AGREEMENT

FOUKS-SOUTH PAXTON

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BOX 211

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TOGETHER with all rents, income, receipts, revenues, issues, proceeds and profits accruing and to accrue from the Premises;

TOGETHER with all and singular the tenements, hereditaments, easements, appurtenances, passages, waters, water courses, riparian rights, zoning variances and exceptions, other rights, liberties and privileges in any way now or hereafter appertaining to the Real Estate, including any other claim at law or in equity as well as any after-acquired title, franchise or license and the reversions and remainder and remainders thereof;

TOGETHER with all right, title and interest of the Mortgagor, including any after-acquired title or reversion, in and to the beds of the ways, gores of land, streets, avenues and alleys adjoining the Real Estate;

NOW, THEREFORE, (i) to secure the payment of the principal of and interest on the Loan and other liabilities in accordance with the Loan Agreement, and (ii) to secure the payment of all other Secured Indebtedness and the performance and observance of all the covenants, agreements and provisions contained herein and in the Loan Agreement; and (iii) in consideration of the above Recitals, (iv) to secure the payments and performance under the Hyde Park Loan and Loan Documents; and (v) for other good and valuable considerations, whose receipt and sufficiency are acknowledged by the Mortgagor; the Mortgagor DOES HEREBY MORTGAGE, DEMISE, CONVEY AND WARRANT unto the Mortgagee, its successors and assigns forever, all of its estate, right, title and interest in, to and under the Real Estate. The Real Estate, together with the property mentioned in the next succeeding paragraphs, is called the "Premises";

THE GRANT

E. Secured Indebtedness. The term "Secured Indebtedness" shall include: the Note, Loan and other liabilities, including the principal and interest and premiums, if any, and all extensions, modifications, substitutions or renewals, in whole or in part, additional Advances, if any, with interest, made by the Mortgagor pursuant to the previous paragraphs or to Paragraph 37 ("Future Advances"); the Hyde Park Note, Loan and other liabilities as defined in the Hyde Park Loan Agreement, including all future advances made by the Mortgagee under the Hyde Park Loan Agreement; and all other sums which at any time may be due or owing or required to be paid as provided herein or in the Loan Agreement or Note and all other indebtedness of the Mortgagor or its beneficiary to Mortgagee whether now or hereafter existing, whether direct or indirect, absolute or contingent, or due or to become due. The total principal of the Secured Indebtedness shall not exceed TWO MILLION FIVE HUNDRED AND NO/100 DOLLARS (\$2,500,000) at any one time, plus interest. (Nothing contained in this paragraph shall be considered as limiting the interest which may be secured hereby or the amounts that shall be secured hereby when advanced to protect the Real Estate security).

advances for any purpose made by the Mortgagee, at its option, priority basis from the date of recording of this Mortgage) and any and all such other future advances, whether the same are of the same or a different kind or quality as the original advances or whether related to the original advances, and secures the interest thereon as well as the principal and interest now evidenced by the Loans.

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1. Payment of indebtedness. The Mortgagor shall pay when

THE MORTGAGOR COVENANTS AND AGREES AS FOLLOWS:

GENERAL AGREEMENTS

PROVIDED, NEVERTHELESS, that if the mortgagor shall pay when due the Secured Indebtedness and shall duly and timely perform and observe all of the terms, provisions, covenants and agreements to be performed and observed by the Mortgagor, then this Mortgage and the estate, right and interest of the Mortgages in the Premises shall cease and become void and of no effect, otherwise to remain in full force and effect.

TO HAVE AND TO HOLD the premises, with the appurtenances, and fixtures, unto the Mortgagee, its successors and assigns, forever, for the uses and purposes set forth together with all right to possession of the Premises upon the occurrence of any Event of Default. The Mortgagor hereby RELEASES AND WAIVES all rights under and by virtue of the homestead exemption laws of the State of Illinois.

TOGETHER with all awards and other compensation heretofore or hereafter made to the present and all subsequent owners of the Premises for any taking by eminent domain, either permanent or temporary, of all or any part of the Premises or any easement or appurtenance thereof, including severance and consequential damage and change in grade of streets. Awards and compensation are hereby assigned to the Mortgagee. Mortgagor designates the Mortgagee as its agent and directs and empowers the Mortgagee, at the option of the Mortgagee, on behalf of the Mortgagor, or the successors or assigns of the Mortgagor, to adjust or compromise the claim for any award and to collect and receive the proceeds, give proper receipts and acquittances, and, after deducting expenses of collection, to apply the net proceeds as a credit upon any portion, as selected by the Mortgagee, of the Secured Indebtedness, notwithstanding the fact that the amount owing may not then be adequately secured, all subject to the provisions of Paragraph 10.

TOGETHER with all right, title, estate and interest of the Mortgagor in and to the Premises, property, improvements, and fixtures hereby conveyed, assigned, pledged and hypothecated, and all right to retain possession of the Premises after the occurrence of an Event of Default; and

TOGETHER with all buildings and improvements of every kind and description now or hereafter erected or placed on the Premises and all materials intended for construction, reconstruction, alteration and repairs of such buildings and improvements now or hereafter erected thereon, all of which materials shall be deemed to be included within the Premises immediately upon the delivery thereof to the Real Estate, and all fixtures now or hereafter owned by the Mortgagor and attached to or forming a part of or used in connection with the Real Estate or the operation and convenience of any buildings and improvements including all furnishings, elevators, fittings, screens, awnings, partitions, carpeting, curtains and drapery hardware used or useful in the operation or for the convenience of the Real Estate or any buildings and improvements thereon and all plumbing, electrical, heating, lighting, ventilating, refrigerating, incinerating, air-conditioning and sprinkler equipment, systems, fixtures and conduits (including all furnaces, boilers, plants, units, condensers, compressors, ducts, apparatus and hot-and-cold water equipment and systems), and all renewals or replacements or substitutions;

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due (a) the principal of and interest and premium, if any, on the loans and (b) all other secured indebtedness; and the mortgagor shall duly and punctually perform and observe all of the terms, provisions, conditions, covenants and agreements as provided herein and in the Note and the Loan Agreement. This mortgage shall secure such payment, performance and observance.

2. Maintenance, Repair, Restoration, Liens, Etc. The mortgagor shall (a) promptly repair, restore or rebuild any building or improvement now or hereafter included within the premises which may become damaged or be destroyed whether or not proceeds of insurance are available or sufficient for the purpose; (b) keep the premises in good condition and repair, without waste, and free from mechanic's, materialmen's or like liens or claims or other liens or claims for lien; (c) pay, when due, any indebtedness which may be secured by a lien or charge on the premises superior to the lien hereof and, upon request, exhibit to the mortgagee satisfactory evidence of the discharge of such prior lien; (d) complete, within a reasonable time, any buildings or other improvements now or at any time in the process of erection upon the premises; (e) comply with all requirements of law, municipal ordinances or restrictions and covenants of record with respect to the premises and the use thereof; (f) make or permit no material alterations in the premises, except as required by law or ordinance, without the mortgagee's prior written consent; (g) suffer or permit no change in the general nature of the occupancy of the premises; (h) initiate or acquiesce in no zoning reclassification with respect to the premises; (i) suffer or permit no unlawful use of, or nuisance to exist upon, the premises; (j) cause the premises to be managed in a competent and professional manner; and (k) give notice in writing to the mortgagee of and, unless otherwise directed in writing by the mortgagee, appear in and defend any action or proceeding purporting to affect the premises, the security of this mortgage or the rights or powers of the mortgagee.

3. Other Liens. Except as otherwise expressly permitted herein, the mortgagor shall not create or suffer or permit any mortgage, lien, charge or encumbrance to attach to the premises, whether such lien or encumbrance is inferior or superior to the lien of this mortgage, excepting only the lien of real estate taxes and assessments not due or delinquent and those encumbrances listed on Exhibit C ("permitted encumbrances").

4. Taxes. The mortgagor shall pay when due and before any penalty attaches, all general and special taxes, assessments, water charges, sewer charges, and other fees, taxes, charges and assessments of every kind and nature whatsoever (all generally called "Taxes"), whether or not assessed against the mortgagor, if applicable to the premises or any interest therein, or the secured indebtedness, or any obligation or agreement secured hereby. The mortgagor shall, upon written request, furnish to the mortgagee duplicate receipts. The mortgagor shall pay in full under protest in the manner provided by statute, any Taxes which the mortgagor may desire to contest. If deferment of payment of any such Taxes is required to conduct any contest or review, the mortgagor shall deposit with the mortgagee the full amount thereof, together with an amount equal to the estimated interest and penalties thereon during the period of contest, and in any event, shall pay such Taxes, notwithstanding such contest, if in the opinion of the mortgagee the premises shall be in jeopardy or in danger of being forfeited or foreclosed. If the mortgagor shall not pay the Taxes when required, the mortgagee may do so and may apply such deposit for the purpose.

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(c) Rental or business interruption insurance in amounts sufficient to pay all amounts required herein to be paid by the Mortgagor for one year while the Premises may be damaged or destroyed;

(b) Public liability against bodily injury and property damage with such limits as the Mortgagee may require;

(a) "All risk" insurance against loss by fire, risks covered by the so-called extended coverage endorsement, and other risks as the Mortgagee may reasonably require, in amounts equal to the full replacement value of the Premises. During any significant construction or rehabilitation of the Premises, the policy or policies shall be in Builder's Risk Form;

5. Insurance Coverage. The Mortgagor will insure and keep fully insured all of the buildings and improvements now or hereafter included within the Premises and hazards as the Mortgagor may from time to time require, and in any event including:

Mortgagor upon demand with interest. additional secured indebtedness and shall be repayable by indebtedness authorized by this Paragraph shall constitute company of Mortgagee's choosing. All such advances and title or title insurance policy prepared by a title insurance authorized, at its option, to obtain a continuation report of connection with any such advance. Mortgagee is further secured by intended to be created by this Mortgage. In advance seems necessary or desirable to protect the full authorized, whenever, in its judgment and discretion, such otherwise relating to any other purpose herein statement of lien, encumbrance, claim, charge, or payment relating to any apparent or threatened adverse title, lien, advance, in the place and instead of Mortgagor, any payment or claim. Mortgagee is further authorized to make or of any tax, assessment, lien, sale, forfeiture, or related public office without inquiry into the accuracy or the validity any bill, statement, or estimate procured from the appropriate place and instead of Mortgagor, any payment relating to Taxes not paid by Mortgagor when due. Mortgagee may do so according to

Mortgagee is hereby authorized to make or advance, in the place and instead of Mortgagor, any payment relating to Taxes not paid by Mortgagor when due. Mortgagee may do so according to any bill, statement, or estimate procured from the appropriate public office without inquiry into the accuracy or the validity of any tax, assessment, lien, sale, forfeiture, or related advance, in the place and instead of Mortgagor, any payment or claim. Mortgagee is further authorized to make or pay any income, franchise or excise tax imposed upon the Mortgagee, excepting only such which may be levied against such income expressly as and for a specific substitute for Taxes pertaining to the Premises, and then only in an amount computed as if the Mortgagee derived no income from any source other than its interest hereunder.

Nothing in this Paragraph shall require the Mortgagor to pay any income, franchise or excise tax imposed upon the Mortgagee, excepting only such which may be levied against such income expressly as and for a specific substitute for Taxes pertaining to the Premises, and then only in an amount computed as if the Mortgagee derived no income from any source other than its interest hereunder.

If any law or court decree has the effect of (i) deducting from the value of the land for the purpose of taxation any lien thereon; (ii) imposing upon the Mortgagee the payment of the whole or any part of the Taxes or liens required to be paid by the Mortgagor; or (iii) changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the interest of the Mortgagee in the Premises, or the manner of collection of Taxes, so as to affect this Mortgage or the secured indebtedness or the Mortgagee; then, and in any such event, the Mortgagor, upon demand by the Mortgagee, shall pay such Taxes, or reimburse the Mortgagee on demand. If such payment or reimbursement by the Mortgagee is unlawful, then the Secured Indebtedness shall be due and payable after written demand by the Mortgagee to the Mortgagor.

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(ii) One-twelfth (1/12) of the annual premiums on each policy of insurance upon the Premises; provided that in the case of the first such deposit, there shall be deposited in addition an amount which, when added to the aggregate amount of monthly sums next payable under this subparagraph (ii), will result in a sufficient reserve to pay the insurance premiums next

(i) One-twelfth (1/12) of the Taxes next to become due upon the Premises; provided that in the case of the first such deposit, there shall be deposited in addition an amount which, when added to the aggregate amount of monthly sums next payable under this subparagraph (i), will result in a sufficient reserve to pay the Taxes next becoming due one month prior to the date when such Taxes are, in fact, due and payable, plus

(a) The Mortgagor shall, if required by the Mortgagee, deposit with the Mortgagee on the first day of each and every month an amount equal to:

7. Deposits for Taxes and Insurance Premiums. In order to assure the payment of Taxes and Insurance Premiums payable with respect to the Premises as and when due and payable:

The Mortgagor shall not take out separate insurance concurrent in form or contributing in the event of loss with that required hereunder unless the Mortgagee is included under a standard mortgage clause acceptable to the Mortgagee, with loss payable to Mortgagee. The Mortgagor shall immediately notify the Mortgagee whenever any separate insurance is taken out and shall promptly deliver to the Mortgagee any policies or certificates of such insurance.

6. Insurance Policies. All policies of insurance required by Paragraph 5 shall be in form, companies and amounts reasonably satisfactory to the Mortgagee. All policies of casualty insurance shall have attached thereto standard non-contributory mortgage clauses or endorsements in favor of and with loss payable to and in form satisfactory to the Mortgagee. The Mortgagor will deliver all policies, including additional and renewal policies to the Mortgagee and, in case of insurance policies about to expire, the Mortgagor will deliver renewal policies not less than thirty (30) days prior to the respective dates of expiration. All insurance policies shall contain a provision requiring at least thirty (30) days notice to the Mortgagee prior to any cancellation or modification of such policies. Mortgagor shall not permit any condition to exist on or with respect to the Premises which would wholly or partially invalidate any insurance.

(f) Workmen's Compensation Insurance in at least the minimum amounts required by statute while any work is being performed on the Premises.

(e) Insurance against loss or damage by flood or mud slide, if the Premises are now, or at any time while the Secured Indebtedness remains outstanding shall be, situated in an area which an appropriate governmental authority designates as a flood or mud slide hazard area or the like, in such amount as the Mortgagee may require, but no amount in excess of the minimum legal limit of coverage shall be so required.

(d) Steam boiler, machinery and other insurance of the types and in amounts as the Mortgagee may require but in any event not less than customarily carried by persons owning or operating like properties; and

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8. Proceeds of Insurance. The Mortgagor will give the Mortgagee prompt notice of any damage to or destruction of the Premises, and:

(e) Notwithstanding anything to the contrary, the Mortgagee, and its loan servicing agent, or their successors and assigns, shall not be liable for any failure to apply to the payment of Taxes and Insurance premiums any amounts deposited as Tax and Insurance Deposits unless the Mortgagee, while no Event of Default has occurred and is continuing hereunder, shall have requested the Mortgagee in writing to make application of such Deposits on hand to the payment of the particular Taxes or Insurance premiums, accompanied by the bills therefor. Neither the Mortgagee nor its loan servicing agent shall be liable for any act or omission taken in good faith or pursuant to the instructions of any party.

(d) Upon the occurrence of an Event of Default, the Mortgagee may, at its option, apply any Tax and Insurance Deposits on hand to any of the Secured Indebtedness, in such order and manner as the Mortgagee may elect. When the Secured Indebtedness has been fully paid, then any remaining Tax and Insurance Deposits shall be paid to the Mortgagee. All Tax and Insurance Deposits are hereby pledged as additional security for the Secured Indebtedness, and shall be held by the Mortgagee to be irrevocably applied for the purposes as herein provided, and shall not be subject to the direction or control of the Mortgagee.

(c) The Mortgagee will, out of the Tax and Insurance Deposits, upon the presentation to the Mortgagee by the Mortgagee of the bills, pay the Insurance premiums and Taxes or will, upon the presentation of receipted bills, reimburse the Mortgagee for such payments made by the Mortgagee. If the total Tax and Insurance Deposits on hand shall not be sufficient to pay all of the Taxes and Insurance premiums when they shall become due, then the Mortgagee shall pay to the Mortgagee on demand any amount necessary to make up the deficiency. If the total of such Deposits exceeds the amount required to pay the Taxes and Insurance premiums, such excess shall be credited on subsequent payments to be made for such Deposits.

(iv) Amortization of the principal balance of the Loan;

(iii) Interest on the Loan;

(ii) Secured Indebtedness other than principal and interest on the Loan;

(i) Taxes and Insurance premiums;

(b) The aggregate of the monthly Tax and Insurance Deposits, shall be paid in a single payment each month, to be applied prior to the occurrence of an Event of Default to the following items in this order:

The amount of such deposits (generally called "Tax and Insurance Deposits") shall be based upon the Mortgagee's reasonable estimate as to the amount of Taxes and Insurance premiums next to be payable. All Taxes and Insurance Deposits shall be held by the Mortgagee without any allowance of interest.

becoming due one month prior to the date when such insurance premiums are, in fact, due and payable.

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9. Disbursement of Insurance Proceeds. In the event the Mortgagee is entitled to reimbursement out of insurance proceeds held by the Mortgagee, such proceeds shall be disbursed from time to time upon the Mortgagee being furnished with (i) evidence satisfactory to it of the estimated cost of completion of the restoration, repair, replacement and rebuilding, (ii) funds (or assurances satisfactory to the Mortgagee that such funds are available) sufficient in addition to the proceeds of insurance, to complete the proposed restoration, repair, replacement and rebuilding and (iii) such architect's certificates, waivers of lien, contractor's sworn statements, title insurance endorsements, plats of survey and such other evidences of cost, payment and performance as the Mortgagee may reasonably require and approve. The Mortgagee may, in any event, require that all plans and specifications approved by the Mortgagee prior to commencement of work. No payment made prior to the final completion of the restoration,

(d) In the event that proceeds of insurance, if any, shall be made available to the Mortgagee for the restoring, repairing, replacing or rebuilding of the premises, the Mortgagee hereby covenants to restore, repair, replace or rebuild the same, to be of at least equal value, and of substantially the same character as prior to the insured Casualty. Such work is to comply with plans and specifications approved by the Mortgagee.

(c) Except as provided in subsection (b) of this paragraph, the Mortgagee may apply the proceeds of insurance consequent upon any insured Casualty to the Secured Indebtedness, in such order or manner as the Mortgagee may elect. Any application of proceeds of insurance upon or in reduction of the Secured Indebtedness shall constitute a voluntary prepayment of the loan which would require the payment of any repayment premiums or fee as provided in the Note or Loan Agreement.

(b) In the event of insured damage to or destruction of the premises or any part thereof (herein called an "insured casualty"), and if, in the reasonable judgment of the Mortgagee, the premises can be restored to an economic unit not less valuable than prior to the insured Casualty, and adequately securing the outstanding balance of the Secured Indebtedness, then, if no Event of Default shall have occurred and be then continuing, the proceeds of insurance shall be applied to reimburse the Mortgagee for the cost of restoring, repairing, replacing or rebuilding the premises or part thereof subject to insured Casualty, as provided in Paragraph 9. The Mortgagee covenants and agrees forthwith to commence and diligently to prosecute such restoring, repairing, replacing or rebuilding. The Mortgagee shall pay all costs of such restoring, repairing, replacing or rebuilding in excess of the net proceeds of insurance.

(a) In case of loss covered by policies of insurance, the Mortgagee (or, after entry of decree of foreclosure, the purchaser at the foreclosure sale or decree creditor, as the case may be) is hereby authorized at its option either (i) to settle and adjust any claim under such policies without the consent of the Mortgagee, or (ii) allow the Mortgagee to agree with the insurance company or companies on the amount to be paid upon the loss. In any case the Mortgagee shall, and is hereby authorized to, collect and receipt for any such insurance proceeds. The expenses incurred by the Mortgagee in the adjustment and collection of insurance proceeds shall be additional to the Secured Indebtedness, and shall be reimbursed to the Mortgagee upon demand.

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11. Mortgage and Stamp Tax. If, by the laws of the United States of America, or of any state or municipality having jurisdiction over the Mortgage or the Premises, any tax is used or becomes due in respect of the Loan or the granting or recording of this Mortgage, the Mortgagee shall pay such tax in the required manner. The Mortgagee further agrees to reimburse the Mortgagee for any sums which the Mortgagee may expend by reason of the imposition of any such tax.

10. Condemnation. The Mortgagee hereby assigns, transfers and sets over unto the Mortgagee the entire proceeds of any award or claim for damages for any of the Premises taken or damaged under the power of eminent domain or by condemnation including any payments made in lieu of and/or in settlement of a claim or threat of condemnation. The Mortgagee may elect to apply the proceeds of the award upon or in reduction of the Secured Indebtedness then most remotely to be paid, whether due or not, or require the Mortgagee to restore or rebuild the Premises, in which event, the proceeds shall be held by the Mortgagee and used to reimburse the Mortgagee for the cost of such rebuilding or restoring. If, in the reasonable judgment of the Mortgagee, the Premises can be restored to an economic unit not less valuable than the same was prior to the condemnation and adequately securing the outstanding balance of the Secured Indebtedness, the award shall be used to reimburse the Mortgagee for the cost of restoration and rebuilding; provided always, that no event of default has occurred and is then continuing. If the Mortgagee is required or permitted to rebuild or restore the Premises, such rebuilding or restoration shall be effected solely in accordance with plans and specifications previously approved by the Mortgagee. Proceeds of the award shall be paid out in the same manner as provided in Paragraph 9 for the payment of insurance proceeds towards the cost of rebuilding or restoration. Any application of the proceeds of the award upon or in reduction of the Secured Indebtedness shall constitute a voluntary prepayment of the Loan which would require the payment of any prepayment premium or fee as provided in the Note or the Loan Agreement. If the amount of such award is insufficient to cover the cost of rebuilding or restoration, the Mortgagee shall pay such costs in excess of the award, before being entitled to reimbursement out of the award. Any surplus which may remain out of the award after payment of such costs of rebuilding or restoration shall, at the option of the Mortgagee, be applied on account of the Secured Indebtedness, then most remotely to be paid, or be paid to any other party entitled thereto. No interest shall be allowed to the Mortgagee on account of any award held by the Mortgagee.

repair, replacement and rebuilding shall exceed ninety percent (90%) of the value of the work performed from time to time. Funds other than proceeds of insurance shall be disbursed prior to disbursement of such proceeds. At all times the undisbursed balance of such proceeds remaining in the hands of the Mortgagee, together with funds deposited for that purpose or irrevocably committed to the satisfaction of the Mortgagee by or on behalf of the Mortgagee for that purpose, shall be at least sufficient in the reasonable judgment of the Mortgagee to pay for the cost of completion of the restoration, repair, replacement or rebuilding, free and clear of all liens or claims for lien. Any surplus which may remain out of insurance proceeds held by the Mortgagee after payment of such costs of restoration, repair, replacement or rebuilding shall, at the option of the Mortgagee, be applied on account of the Secured Indebtedness, then most remotely to be paid, or be paid to any other party entitled thereto. No interest shall be allowed to the Mortgagee on account of any proceeds of insurance or other funds held in the hands of the Mortgagee.

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14. Inspection of Premises and Records. The Mortgagee shall have the right to inspect the Premises and all books,

may perform the same itself. into such contracts as the Mortgagee may deem appropriate or persons as the Mortgagee may deem appropriate and to such the Mortgagee may do so in such amounts and to such Premises or the payment of operating costs and expenses improvements or the rental, operation or management of the completion of construction, furnishing or equipping of the claim for lien which may be asserted; or (c) relating to the may do so without inquiry as to the validity or amount of any discharge, compromise or settlement of any other prior lien, Lien or title or claim thereof; (b) relating to the purchase, into the validity of any tax, assessment, sale, forfeiture, tax according to any bill, statement or estimate, without inquiry any payment hereby authorized (a) relating to Taxes, may do so occurrence of an Event of Default. The Mortgagee, in making as a waiver of any right accruing to it as a result of the Agreement. Inaction of the Mortgagee shall never be considered and with interest thereon at the rate specified in the Loan and shall become immediately due and payable without notice, Indebtedness, whether or not they exceed the amount of the Note operational and usable shall be additional Secured secured operating costs and expenses or to keep the Premises to rent, operate and manage the Premises or to pay any such the Lien, to complete construction, furnishing and equipping or monies advanced by the Mortgagee to protect the Premises and all connected expenses, including attorneys' fees and other and usable for their intended purposes. All monies so paid and connection therewith, so that the Premises shall be operational including management fees, of every kind and nature in manage the Premises and pay operating costs and expenses, improvements upon the Premises and; (iv) rent, operate and complete construction, furnishing and equipping of the affecting the Premises or cost any tax or assessment; (iii) or claim thereof, or redeem from any tax sale or forfeiture compromise or settle any tax lien or other prior lien or title prior encumbrances, if any, and (ii) purchase, discharge, (1) make full or partial payments of principal or interest on Mortgagee. The Mortgagee may, but shall not be required to, Mortgagee (whether or not the Mortgagee is personally liable to, make any payment or perform any act required of the period of redemption, if any, may, but shall not be required to continue, the Mortgagee, either before or after accelerating the Secured Indebtedness or foreclosing the Lien and during the If an Event of Default (defined below) shall occur and 13. Mortgagee's Performance of Mortgagee's Obligations.

12. Effect of Extensions of Time and Amendments on Junior Liens and Others. If the payment of the Secured Indebtedness, or any part thereof, is extended or varied, or if any part of the security therefor is released, all persons now or at any time hereafter liable, or interested in the Premises, shall be held to assent to such extension, variation or release. Their liability, and the Lien, and all provisions hereof, shall continue in full force and effect. The right of recourse against all such persons is expressly reserved by the Mortgagee, notwithstanding any such extension, variation or release. Any person, firm or corporation taking a Junior mortgage, or other Lien upon the Premises or any interest therein, shall take such Lien subject to the rights of the Mortgagee to amend, modify and supplement this Mortgage, the Loan Agreement, and the Assignment herein referred to, and to extend the maturity of the Secured Indebtedness, in each and every case without obtaining the consent of the holder of such Junior Lien and without the Lien of this Mortgage losing its priority over the rights of any such Junior Lien.

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records and documents relating thereto at all times during normal business hours.

15. Uniform commercial code. This mortgage constitutes a Security Agreement under the Uniform commercial code of the State of Illinois (herein called the "Code") with respect to (and the Mortgagee hereby grants a security interest in) any part of the premises which may or might now or hereafter be fixtures other than real estate (all for the purposes of this paragraph called "collateral"). All of the terms, provisions, conditions and agreements contained in this Mortgage apply to the collateral as fully as to any other property comprising the premises. The following provisions shall not limit the generality or applicability of any other provision of this Mortgage but shall be additional:

(a) The Mortgagee (being the "Debtor" as that term is used in the code) is and will be the true and lawful owner of the collateral, subject to no liens, charges or encumbrances other than the lien hereof or as expressly permitted under the Loan Agreement.

(b) The collateral is to be used by the Mortgagee solely for business purposes, being installed upon the premises for the Mortgagee's own use.

(c) The collateral will be kept at the Real Estate, and will not be removed without the consent of the Mortgagee (being the Secured Party as that term is used in the code). The collateral may be affixed to the Real Estate but not to any other real estate.

(d) The only persons having any interest in the premises are the Mortgagee and the Mortgagee and Lessee(s) under the lease(s) identified in the assignment.

(e) No financing statement covering any of the collateral or any proceeds is on file in any public office except pursuant hereto or the Loan Agreement. The Mortgagee will at its own cost and expense, upon demand, execute and deliver to the Mortgagee such financing statements and other documents in form satisfactory to the Mortgagee and will do all such acts and things as the Mortgagee may at any time or from time to time reasonably request or as may be necessary or appropriate to establish and maintain a perfected security interest in the collateral as security for the Secured Indebtedness, subject to no adverse liens or encumbrances not permitted by this Mortgage or the Loan Agreement. The Mortgagee will pay the cost of filing the same or recording such financing statements or other documents, and this instrument, in all public offices wherever filing or recording is deemed by the Mortgagee to be necessary or desirable.

(f) In addition to Mortgagee's rights under the Loan Agreement, if an event of default shall occur and continue, the Mortgagee at its option may declare the Secured Indebtedness to be immediately due and payable, all as more fully set forth in Paragraph 17. Thereupon the Mortgagee shall have the remedies of a secured party under the Code, including, the right to take immediate and exclusive possession of the collateral, or any part thereof. For that purpose Mortgagee may, so far as the Mortgagee can give authority therefor, with or without judicial process, enter (if this can be done without breach of the peace), upon any place which the collateral or any part thereof may be situated and remove the same (provided that if the

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(a) the Premises or any part thereof or interest therein, and in the event title to the Premises shall be

16. Restrictions on Transfer. The Mortgagor shall not, without Mortgagor's prior written consent, effect, contract for, consent to, suffer or permit any "prohibited Transfer". Any conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation (or any agreement to do any of the foregoing) of any of the following properties, rights or interests which occurs, is granted, attempted or effected without the prior written consent of the Mortgagor shall constitute a "prohibited Transfer":

(f) This Mortgage is intended to be a financing statement within the purview of Section 9-402(c) of the Code with respect to the collateral. The addresses of the Mortgagor and the Mortgagee are set forth below. This Mortgage is to be filed for record with the Recorder of Deeds of the County or Counties where the Real Estate is located.

(h) The terms and provisions contained in this Paragraph shall, unless the context otherwise requires, have the meanings and be construed as provided in the code.

(g) Mortgagor's remedies under this Paragraph, the Code and the Loan Agreement are cumulative and the exercise of any one or more of the remedies provided shall not be construed as a waiver of any of the other remedies, including having the collateral deemed to be a part of the Real Estate upon any foreclosure thereof.

(i) Mortgagor shall be deemed to have agreed to the disposition of the Real Estate upon any foreclosure thereof. The net proceeds realized upon any such disposition, after deduction for the expenses of retaking, holding, preparing for sale, selling or the like and the reasonable attorneys' fees and legal expenses incurred by the Mortgagee, shall be applied against the Secured Indebtedness. The Mortgagee will account to the Mortgagor for any surplus realized on such disposition. Mortgagor shall be deemed to have agreed to the disposition of the Real Estate upon any foreclosure thereof. The net proceeds realized upon any such disposition, after deduction for the expenses of retaking, holding, preparing for sale, selling or the like and the reasonable attorneys' fees and legal expenses incurred by the Mortgagee, shall be applied against the Secured Indebtedness. The Mortgagee will account to the Mortgagor for any surplus realized on such disposition. Mortgagor shall be deemed to have agreed to the disposition of the Real Estate upon any foreclosure thereof. The net proceeds realized upon any such disposition, after deduction for the expenses of retaking, holding, preparing for sale, selling or the like and the reasonable attorneys' fees and legal expenses incurred by the Mortgagee, shall be applied against the Secured Indebtedness. The Mortgagee will account to the Mortgagor for any surplus realized on such disposition.

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(g) Mortgagee's title to its interest in the premises or any substantial part thereof shall become the subject of litigation which would or might, in the Mortgagee's opinion, upon final determination result in substantial impairment or loss of the security provided by this instrument and upon notice by the Mortgagee to the Mortgagee such litigation is not dismissed within sixty (60) days of such notice; or

(f) The premises shall be abandoned; or

(e) Mortgagee shall commit a default in the due and punctual performance or observance of any other agreement or condition herein; or

(d) An event of default shall occur under the Loan Agreement, subject to applicable grace periods; or

(c) A default shall occur and be continuing under the provisions of Paragraph 25, or under the assignment referred to in that Paragraph; or

(b) A Prohibited Transfer shall occur; or

(a) A default shall be made in the due and punctual payment of the Loan, any other liabilities or any installment thereof, either principal or interest, or a default shall be made in the making of any payment or monies required to be made hereunder or under the Loan Agreement, and such default shall continue for more than five (5) days from the due date; or

17. Events of Default. The following constitute "Events of Default":

D E F A U L T S A N D R E M E D I E S

In each case whether any such conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest, encumbrance or alienation is effected directly, indirectly, voluntarily or involuntarily, by operation of law or otherwise. The foregoing provisions of this Paragraph shall not apply (i) to liens securing the Secured Indebtedness, (ii) to the lien of current taxes and assessments not in default, or (iii) to any transfers of the premises, or part thereof, or interest therein, or any beneficial interests, or shares of stock or partnership or joint venture interests, as the case may be, by or on behalf of an owner thereof who is deceased or declared judicially incompetent, to such owner's heirs, legatees, devisees, executors, administrators, estate or personal representatives.

(b) all or any part of the partnership or joint venture interest, as the case may be, of any Mortgagee or any direct or indirect beneficiary of a Trustee Mortgagee if the Mortgagee or such beneficiary is a partnership or a joint venture.

held by a land trustee, any interest in or to the beneficial interest in such trust, excepting only sales or other dispositions of collateral (herein called "obsolete collateral") no longer useful in connection with the operation of the premises, provided that prior to the sale or other disposition thereof, such obsolete collateral has been replaced by collateral of at least equal value and utility which is subject to the lien hereof with the same priority as with respect to the obsolete collateral;

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18. Possession by Mortgagee. When the Secured Indebtedness shall become due, whether by acceleration or otherwise, the Mortgagee shall, if applicable law permits, have

Compliance with and performance of the terms and provisions of this Mortgage shall not in any manner impair or affect the rights of Mortgagee to demand payment of the Loan at any time in accordance with the Loan Agreement.

Upon the occurrence of an Event of Default, the Mortgagee is authorized and empowered, at its option, and without affecting the lien or the priority of the Lien or any rights to declare, without further notice, all Secured Indebtedness to be immediately due and payable, whether or not such default be thereafter remedied by the Mortgagor. The Mortgagee may immediately proceed to foreclose this Mortgage or to exercise any right, power or remedy provided by this Mortgage, the Loan Agreement, the Assignment or by law or equity.

(o) any default in the payment of any secured indebtedness, subject to applicable grace periods, if any.

(n) Any default, "Default" or "Event of Default" under the Hyde Park Loan or Hyde Park Loan Documents; or

(m) The Mortgagor shall default under any other instrument or document which, with the consent of the Mortgagee, is hereafter secured by, or creates, a lien or encumbrance against the Mortgaged Premises; or

(l) There shall be a material adverse change in the financial condition of the Mortgagor, or any other obligor;

(k) Any representation or warranty made by the Mortgagor, or its beneficiary, individually or on behalf of the Mortgagor, or any of them, or their respective agents, in the Note, this Mortgage or any of the other Loan Documents, or in any other agreement, instrument, certificate or statement contemplated hereby or thereby, or made or delivered pursuant hereto or thereto or in connection herewith or therewith, shall be breached or violated, or prove to be false, misleading or inaccurate, in any material respect; or

(j) All or a substantial part of Mortgagor's assets are attached, seized, subjected to a writ or distress warrant, or are levied upon; or

(i) Mortgagor, or any beneficiary of or person in control of Mortgagor, shall: (1) file a voluntary petition in bankruptcy, insolvency, debtor relief or for arrangement, reorganization or other relief under the Federal Bankruptcy Act or any similar state or federal law; (2) consent to or suffer the appointment of or taking possession by a receiver, liquidator, or trustee, (or similar official) of the Mortgagor or for any part of the property or any substantial part of the Mortgagor's other property; (3) make any assignment for the benefit of Mortgagor's creditors; (4) fail generally to pay Mortgagor's debts as they become due; or (v) a court having jurisdiction shall enter a decree or order for relief in respect of Mortgagor in any involuntary case brought under any bankruptcy, insolvency, debtor relief, or similar law; or

(h) This Mortgage shall not constitute a valid first lien on and security interest in the Premises or if such lien and security interest shall not be perfected; or

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19. Foreclosure. When the Secured Indebtedness, or any part thereof, shall become due, whether following demand for payment of the loan or otherwise, the Mortgagee shall have the right to foreclose the lien of this Mortgage. In any suit to foreclose the lien, there shall be allowed and included as additional secured indebtedness in the decree of sale, all expenditures and expenses which may be paid or incurred by or on behalf of the Mortgagee for attorneys' fees, appraiser's fees, outlays for documentary and expert evidence, stenographer's charges, publication costs, and costs (which may be estimated as items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurance with respect to title, as the Mortgagee may deem reasonably necessary.

(e) make all necessary or proper repairs, decoration, renewals, replacements, alterations, additions, betterments, and improvements in connection with the premises as may seem judicious to Mortgagee, to insure and reinsure the premises and all risks incidental to Mortgagee's possession, operation, and management, and to receive all rents, issues, deposits, profits, and avails.

(d) extend or modify any then existing leases in accordance therewith and make new leases of all or any part of the premises. Such extensions, modifications, and new leases may provide for terms, or for options to leases to extend or renew terms, beyond the maturity date of the loan evidenced by the Note and the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale. Any such leases, and the options or other provisions therein, shall be binding upon Mortgagee, all persons whose interests in the premises are subject to the lien of this Mortgage, and the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the Secured Indebtedness, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any such purchaser; and

(c) elect to satisfy any lease or sublease of all or any part of the premises made subsequent to this Mortgage or subordinated to the lien;

(b) cancel or terminate any lease or sublease of all or any part of the premises for any cause or on any ground that would entitle Mortgagee to cancel the same;

(a) hold, operate, manage, and control all or any part of the premises and conduct the business thereof, either personally or by its agents. Mortgagee shall have full power to use such measures, legal or equitable, as it in its discretion may deem proper or necessary to enforce the payment or security of the rents, issues, deposits, profits, and avails of the premises, including actions for recovery of rent, actions in forcible detainer, and actions in distress for rent, all without notice to Mortgagee;

To the full extent not prohibited by applicable law, Mortgagee may:

the right to enter into and upon the premises and take possession thereof or to appoint an agent or trustee for the collection of the rents, issues and profits of the premises. The net income, after allowing a reasonable fee for the collection thereof and for the management of the premises, may be applied to the payment of Taxes, insurance premiums and other charges applicable to the premises, or in reduction of the Secured Indebtedness. The rents, issues and profits of and from the premises are specifically pledged to the payment of the Secured Indebtedness.

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22. Insurance Upon Foreclosure. In case of an insured loss after foreclosure proceedings have been instituted, the proceeds of any insurance policy or policies, if not applied in rebuilding or restoring the buildings or improvements, shall be used to pay the amount due in accordance with any decree of foreclosure that may be entered. The balance, if any, shall be paid to the parties entitled thereto as the court may direct. In the case of foreclosure of this Mortgage, the court, in its decree, may provide that the Mortgage's clause attached to each of the casualty insurance policies may be cancelled and that the decree creditors may cause a new loss clause to be attached to

21. Proceeds of Foreclosure Sale. The proceeds of any foreclosure sale of the premises shall be distributed and applied in the following order of priority: first, on account of all costs and expenses incident to the foreclosure proceedings, including all such items mentioned in Paragraph 19. Second, all other items which constitute secured indebtedness additional to the loan, with interest on such items as provided. Third, to interest remaining unpaid upon the loan. Fourth, to the principal remaining unpaid upon the loan. Fifth, any surplus to the Mortgage, and its successors or assigns, as their rights may appear.

(b) The deficiency in case of a sale and deficiency.

(a) The Secured Indebtedness or the Indebtedness secured by a decree foreclosing this Mortgage, or any tax, special assessment, or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to the foreclosure sale; or

20. Receiver. Upon, or at any time after, the filing of a complaint to foreclose this Mortgage, the court in which such complaint is filed may appoint a receiver of the premises. Such appointment may be made either before or after sale, without notice of bond, without regard to the solvency or insolvency of the Mortgagee at the time of application for such receiver, and without regard to the then value of the premises or whether the same shall be then occupied as a homestead or not. The Mortgagee or any employee or agent may be appointed as such receiver. Such receiver shall have the power to collect the rents, issues and profits of the premises during the pendency of such foreclosure suit and, in case of a sale and deficiency, during the full statutory period of redemption, if any, whether there be a redemption or not, as well as during any further times when the Mortgagee or its successors and assigns, would be entitled except for the intervention of such receiver, to collect such rents, issues and profits and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the premises during the whole of said period. The court may, from time to time, authorize the receiver to apply the net income from the premises in his hands in payment in whole or in part of:

either to prosecute such suit or to evidence to bidders at sales which may be had pursuant to such decree, the true conditions of the title to or the value of the premises. All such expenditures and expenses and such other expenses and fees as may be incurred in the protection of the premises and the maintenance of the lien of this Mortgage, including the fees of any attorney employed by the Mortgagee in any litigation or proceedings affecting this Mortgage, the loan, the loan agreement, or the premises, including probate and bankruptcy proceedings, or in preparation of the commencement or defense of any proceedings or threatened suit or proceeding, shall be payable by the Mortgagee, with interest at the rate set forth in the Loan Agreement until paid.

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25. Assignment of Leases & Rents. As further security for the Secured Indebtedness, the Mortgagor has concurrently herewith executed and delivered to the Mortgagee a separate instrument (herein called the "Assignment") in form prepared by Mortgagee, wherein the Mortgagor has assigned to the Mortgagee all of the rents, issues and profits with respect to the Premises, and any and all leases now or hereafter executed by the Mortgagor, as lessor or landlord, with respect to the Premises. The Mortgagor shall duly perform and observe all of

M I S C E L L A N E O U S

24. Waiver. The Mortgagor hereby covenants and agrees that it will not at any time insist upon or plead, or in any manner whatsoever claim or take any advantage of, any stay, exemption or extension law or any so-called "Moratorium Law" now or at any time hereafter in force, nor claim, take or insist upon any benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisal of the Premises, or any part thereof, prior to any sale or sales thereof to be made pursuant to any provisions herein contained, or pursuant to any decree, judgment or order of any court or competent jurisdiction; or after such sale or sales claim or exercise any rights under any statute now or hereafter in force to redeem the property so sold, or any part thereof, or relating to the marshalling thereof, upon foreclosure sale or other enforcement. The Mortgagor hereby expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage, on its own behalf and on behalf of each and every person acquiring any interest in or title to the Premises subsequent to the date hereof. Any and all such rights shall be deemed to be waived to the full extent permitted by the provisions of applicable law. The Mortgagor will not invoke or utilize any such law or laws or otherwise hinder, delay or impede the exercise of any right, power or remedy herein or otherwise granted or delegated to the Mortgagee, but will suffer and permit the exercise of every such right, power and remedy as though no such law or laws have been made or enacted.

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23. Application of Deposits. Upon any Default, Mortgagee may, at its option, apply any monies or securities that constitute deposits made to or held by Mortgagee or any depositary pursuant to this Mortgage toward payment of any of Mortgagee's obligations under the Note, the Mortgage or the Loan Agreement in such order and manner as Mortgagee may elect. When the Secured Indebtedness has been fully paid, any remaining deposits shall be paid to Mortgagee or to the then owner or owners of the property. Such deposits are pledged as additional security for the prompt payment of the Indebtedness evidenced by the Note and any other Secured Indebtedness and shall be held to be applied irrevocably by such depositary for the intended purposes and shall not be subject to the direction or control of Mortgagee.

each casualty insurance policy making the loss payable to said decree creditors. Any such foreclosure decree may further provide that in case of one or more redemptions, each and every successive redeemer may cause the preceding loss clause attached to each casualty insurance policy to be cancelled and a new loss clause to be attached making the loss payable to such redeemer. In the event of foreclosure sale, the Mortgagee is authorized, without the consent of the Mortgagor, to assign any and all insurance policies to the purchaser at the sale, or to take such other steps as the Mortgagee may deem advisable to cause the interest of such purchaser to be protected by any of the insurance policies without credit or allowance to the Mortgagor for prepaid premiums.

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30. Successors and Assigns. This Mortgage and each and every covenant, agreement and other provision hereof shall be binding upon the Mortgagor and its successors and assigns (including, without limitation, each and every record owner from time to time of the Premises or any other person having an interest therein), and shall inure to the benefit of the Mortgagor and its successors and assigns. Each reference herein to Mortgagor shall be deemed to include the owner from time to time of the Loan, whether so expressed or not. Each owner of powers, options and benefits afforded hereby and may fully enforce all terms and provisions.

29. Rights Cumulative. Each right, power and remedy conferred upon the Mortgagor is cumulative and in addition to every other right, power or remedy, express or implied, given now or hereafter existing, at law or in equity. Each and every right, power and remedy may be exercised from time to time as often and in such order as may be deemed expedient to the Mortgagor. The exercise or the beginning of the exercise of one right, power or remedy shall not be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy. No delay or omission of the Mortgagor in the exercise of any right, power or remedy, or be construed to be a waiver of any default or an acquiescence.

28. Covenants Run with Land; Mortgagor's Successors. All covenants of this Mortgage shall run with the land and be binding on any successor owners of the Premises. In the event that the ownership of the Premises becomes vested in a person or persons other than the Mortgagor, the Mortgagor may, without notice to the Mortgagor, deal with such successor or successors in interest of the Mortgagor with reference to this Mortgage and the Secured Indebtedness in the same manner as with the Mortgagor. The Mortgagor will give immediate written notice to the Mortgagor of any conveyance, transfer or change of ownership of the Premises, but nothing in this Paragraph shall vary or negate the provisions of Paragraph 16.

27. Further Assurances. The Mortgagor will do, execute, acknowledge and deliver all and every further acts, deeds, conveyances, transfers and assurances necessary or proper, in the sole judgment of the Mortgagor, for the better assuring, conveying, mortgaging, assigning and confirming unto the Mortgagor all property mortgaged hereby, whether now owned by the Mortgagor or hereafter acquired.

26. Mortgage in Possession. Nothing herein constitutes the Mortgage a mortgage in possession in the absence of the actual taking of possession of the Premises.

the terms and provisions on its part to be performed and observed under the Assignment. Nothing herein shall be deemed to obligate the Mortgagee to perform or discharge any obligation, duty or liability of the Mortgagor under the Assignment. Mortgagor shall and does hereby indemnify and hold the Mortgagee harmless from any and all liability, loss or damage which the Mortgagee may or might incur by reason of the Assignment. Any and all such liability, loss or damage incurred by the Mortgagee, together with the costs and expenses, including reasonable attorneys' fees, incurred by the Mortgagee in the defense of any claims or demands therefor (whether successful or not), shall be so much additional Secured Indebtedness. The Mortgagor shall reimburse the Mortgagee in the Loan Agreement from the date of demand to the date of payment therefor on demand, together with interest at the rate set forth in the Loan Agreement from the date of demand to the date of

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36. Release. Upon payment of the Secured Indebtedness, the Mortgagee shall release this Mortgage and the Lien hereof. The Mortgagee shall pay the Mortgagee's reasonable costs incurred in releasing this Mortgage.

35. Estoppel Certificate. The Mortgagee shall within ten (10) days of a written request from the Mortgagee furnish the Mortgagee with a written statement, duly acknowledged, setting forth the sums secured by this Mortgage and any right of set-off, counterclaim or other defense which exists against such sums and the obligations of this Mortgage.

Terry Fouks  
611 West Briar  
Chicago, Illinois, 60657

with a copy to:

American National Bank and  
Trust Company of Chicago  
33 North LaSalle Street  
Chicago, Illinois 60690  
(Attention: Land Trust Department)

(b) If to the Mortgagee:

Thomas A. Van Beckum, Jr., Esq.  
Law Department (105/9)  
Continental Illinois National Bank  
and Trust Company of Chicago  
231 South LaSalle Street  
Chicago, Illinois 60697

with a copy to:

CONTINENTAL ILLINOIS NATIONAL BANK  
AND TRUST COMPANY OF CHICAGO  
231 South LaSalle Street  
Attn: Delbert Jones  
Chicago, Illinois 60697

(a) If to the Mortgagee:

34. Notices. Any notice which any party hereto may desire or may be required to give to any other party shall be in writing, and if mailed, shall be deemed to be given when sent by registered or certified mail, postage prepaid and addressed to the Mortgagee or the Mortgagee at its address set forth below, or to such other address as the Mortgagee or the Mortgagee may by notice in writing designate as its address for the purpose of notice hereunder.

33. Captions and Pronouns. The captions and headings of the various sections of this Mortgage are for convenience only, and are not to be construed as confining or limiting in any way the scope or intent of the provisions hereof. Whenever the context requires or permits, the singular shall include the plural, the plural shall include the singular and the masculine, feminine and neuter shall be freely interchangeable.

32. Time of the Essence. Time is of the essence of the Note, Loan Agreement, this Mortgage, the Assignment and any other document evidencing or securing the Secured Indebtedness.

31. Provisions Severable. The unenforceability or invalidity of any provision or provisions hereof shall not render any other provision or provisions unenforceable or invalid.

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39. Waiver of Jury Trial. Mortgagor hereby waives any right to a trial by jury in any action or proceeding to enforce or defend any rights (1) under this Mortgage, the Note, the Loan Agreement or any other documents evidencing or securing the Secured Indebtedness or under any amendment, instrument,

(c) Any fees, costs and expenses imposed upon or incurred by Mortgagee on account of any breach of this Paragraph shall be immediately due and payable by Mortgagor to Mortgagee upon demand, and shall (together with interest thereon at the Default Interest Rate provided in the Note TO THE EXTENT ACCRUING FROM THE DATE SUCH FEES, COSTS AND EXPENSES ARE SO PAID OFF THE INDEBTEDNESS SECURED BY THIS MORTGAGE. Mortgagor hereby covenants and agrees to protect, defend, indemnify and hold harmless Mortgagee from any and all such cost and expenses.

(b) There are no pending or to the best of Mortgagor's knowledge threatened: (1) actions or proceedings from any governmental agency or any other entity regarding the condition or use of the Premises, or regarding any environmental, health or safety law; or (ii) "superficial" or similar governmental actions or proceedings that could impair the value of the Premises, or the priority of the Lien of this Mortgage or any of the other Loan documents. Mortgagor will promptly notify Lender of any notices, and any pending or threatened action or proceeding in the future, and Mortgagor will promptly cure and have dismissed with prejudice any such actions and proceedings to the satisfaction of Lender.

No storage, treatment or disposal of hazardous waste or material (collectively, "Hazardous Materials") has occurred during Mortgagor's ownership of the Premises or will occur on the Premises. (For purposes of these representations and warranties, the term "Hazardous Materials" shall include substances defined as "hazardous substances" or "toxic substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sec. 9601 et seq.; Hazardous Materials Transportation Act, 49 U.S.C. Sec. 1502; The Resource Conservation and Recovery Act, 42 U.S.C. Sec. 6901 et seq.; and those substances defined as "hazardous waste" in Section 1003(j) of the Illinois Environmental Protection Act, Ill. Rev. State ch. 111 1/2 Para. 1001 et seq.; and the regulations adopted and publications promulgated pursuant to said laws); The business and all operations conducted by Mortgagor and the beneficiary on the Premises have and will lawfully dispose of their Hazardous Materials.

(a) The Premises, and the use and operation thereof, are currently in compliance and will remain in compliance with all applicable laws and regulations (including all environmental, health and safety laws and regulations). All required governmental permits are in effect and will remain in effect. There are and will be no environmental, health or safety hazards that pertain to any of the Premises or the business or operations conducted thereon.

38. Environmental Compliance. Mortgagor hereby represents, warrants and covenants to Mortgagee that:

37. Future Advances. Upon request of the Mortgagor, the Mortgagee, at the Mortgagee's option, may make Future Advances to the Mortgagor. Such Future Advances, with interest thereon, shall be secured by this Mortgage. At no time shall solely the principal amount of the Secured Indebtedness, exceed the sum of TWO MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$2,500,000) not including interest or sums advanced in accordance herewith to protect the security of this Mortgage.

TRUSTS  
MORTGAGE  
TO THE EXTENT

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47. Compliance with Illinois Mortgage Foreclosure Law. If any provision in this Mortgage shall be inconsistent with any provision of the Illinois Mortgage Foreclosure Law (Chapter 110,

other law, regulation, enactment, or ordinance. or affected in any way by Illinois Public Act 84-1251 (Laws 1986) or any other statutory, regulatory, administrative or Mortgages with respect thereto will not be eliminated and responsibility of such accountant or firm of accountants to Mortgages and that the liability of accountants under any of the other Loan Documents, affirming that such Mortgages and signed by each accountant or firm of accountants who prepared or certified any of the financial statements furnished, or who will prepare or certify any financial statement to be furnished, to Mortgage hereunder or under any of the other Loan Documents, affirming that such accountant or firm of accountants understands that Mortgages will rely on such financial statements and that the liability of accountants to Mortgage shall be eliminated.

46. Accountant's Letters. At Mortgagee's request, the Mortgagee shall deliver to Mortgagee one or more letters addressed to Mortgage and signed by each accountant or firm of accountants who prepared or certified any of the financial statements furnished, or who will prepare or certify any financial statement to be furnished, to Mortgage hereunder or under any of the other Loan Documents, affirming that such accountant or firm of accountants understands that Mortgages will rely on such financial statements and that the liability of accountants to Mortgage shall be eliminated.

45. Indemnity. Mortgagee shall indemnify and save Mortgagee harmless from and against any all liabilities, losses, damages, claims, expenses (including attorneys' fees and court costs) which may be imposed on, incurred by or asserted against Mortgagee at any time by any third party which relate to or arise from: the Mortgage; any suit or proceeding (including probate and bankruptcy proceedings), or the threat thereof, in or to which Mortgagee may or does become a party, either as plaintiff or as a defendant, by reason of this Mortgage or for the purpose of protecting the lien of this Mortgage; the offer for sale or sale of all or any portion of the Premises; or the ownership, use, operation or maintenance of the Premises.

44. Business Loans. Mortgagee certifies and agrees that the proceeds of the Note secured by this Mortgage will be held for the purposes specified in Illinois Revised Statutes, Chapter 17, Section 6404(1)(c), and that the principal obligation secured hereby constitutes a "business loan" within the definition and purview of that Section.

43. Conflicting Provisions. In the event of a conflict between the provisions of this Mortgage and those of the Loan Agreement (including provisions relating to notice or waiver thereof), those of the Loan Agreement shall govern and prevail over those of this Mortgage.

42. Declaration of Subordination. At the option of Mortgagee, this Mortgage shall become subject and subordinate, in whole or in part (but not with respect to priority of entitlement to insurance proceeds or any condemnation or eminent domain award) to any and all leases of all or any part of the Premises upon the execution by Mortgagee and recording of a unilateral subordination declaration in the appropriate official records of the county in which the Premises are situated.

41. Applicable Law. This Mortgage shall be governed by, and construed in accordance with, the laws of the state of Illinois.

40. Counterpart Execution. This Mortgage may be executed in several counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same instrument. Proceeding shall be tried before a court and not before a jury. Other Loan Documents; and agrees that any such action or relationship existing in connection with this Mortgage or the "Other Loan Documents"; or (ii) arising from any banking document or agreement delivered or which may in the future be delivered in connection therewith (hereinafter sometimes the

52863398

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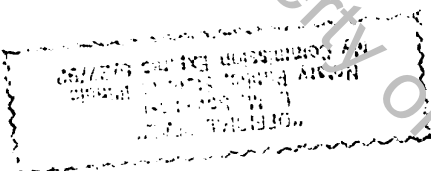




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57832389



Notary Public  
*Tom S. [Signature]*  
 The foregoing instrument was acknowledged before me and this day of  
 Peter H. Robinson  
 by Michael Whelan and Thomas Van Beckum  
 Assistant Secretary

STATE OF ILLINOIS }  
 COUNTY OF Cook } SS.  
 DEC 1 1988

PIN: 261/20-24-418-001

Property commonly known as: 6901-17 South Paxton  
 Chicago, Illinois

Thomas Van Beckum  
 Law Department (105/9)  
 Continental Illinois National Bank  
 and Trust Company of Chicago  
 231 South LaSalle Street  
 Chicago, Illinois 60697

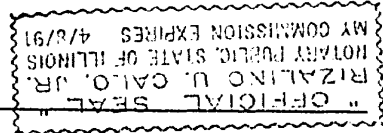
This instrument was prepared by and should be returned to:

UNOFFICIAL COPY

Property of Cook County Clerk's Office

10/10/2010

09:00:00



My Commission expires:

Rizalindo U. Calo, Jr.  
Notary Public

This instrument was acknowledged before me on 11-30-88, 1988, by Terry Fouks.

STATE OF ILLINOIS )  
COUNTY OF COOK )  
SS. )

Address: 611 W. Briar  
Chicago, Illinois 60657

Terry Fouks  
X

88563873

IN WITNESS WHEREOF, the undersigned has executed this Joinder as of the 3rd day of November, 1988.

(f) acknowledges and consents to the waiver of the statutory right of redemption, waiver of the right to jury trial and other waivers of the rights and remedies of Mortgagor or the undersigned contained in the Mortgage.

(e) has or will duly authorize and direct Mortgagor to execute and deliver the Mortgage; and

(d) acknowledges and consents to the restrictions on transfer contained in the Mortgage, including the restrictions on transfer of the beneficial interest in the Trust;

(c) agrees to cause Mortgagor to comply fully with and perform all covenants, obligations, covenants and agreements undertaken by Mortgagor in the Mortgage;

(b) consents to and joins in the Security Agreement and the Assignment of Leases and Rents contained in the Mortgage, intending hereby to bind any interest the undersigned and the undersigned's successors and assigns may have in the Premises and the Real Estate described in the Mortgage, any rents, profits and avails of any leases or other agreements relating to any or all of the Real Estate, the Premises, or the other collateral described in the Mortgage, and any and all personal property and other collateral described in the Mortgage, as fully and with the same effect as if the undersigned were named as the Mortgagor in the Security Agreement contained in the Mortgage;

(a) adopts, consents to, remakes and restates all covenants, representations and warranties contained in the Mortgage, and intends hereby to be personally bound by and liable thereon and for the performance thereof;

FOR GOOD AND VALUABLE CONSIDERATION RECEIVED, the undersigned, being sole owner of One Hundred Percent (100%) of the beneficial interest in the Land Trust which is the Mortgagor under the foregoing Mortgage, and the sole holder of the power of direction of said Land Trust, joins in the execution of, and hereby:

JOINER TO MORTGAGE BY BENEFICIARY

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88563875

Property of Cook County Clerk's Office

Property Address: 2211-17 E. 69th St., Chicago, Illinois  
and  
6901-17 S. Paxton, Chicago, Illinois  
PIN: 261/20-24-418-001

THE NORTH WEST 1/4 (EXCEPT THE SOUTH 75 FEET THEREOF) AND THE  
WEST 8 FEET OF THE NORTH 100 FEET OF THE NORTH EAST 1/4 OF BLOCK  
9 IN SOUTH SHORE DIVISION NO. 5, BEING A SUBDIVISION OF THE EAST  
1/2 OF THE SOUTH EAST 1/4 OF SECTION 24, TOWNSHIP 38 NORTH,  
RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY,  
ILLINOIS.

LEGAL DESCRIPTION

EXHIBIT A

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88563875

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1. General Real Estate Taxes for 1988 and subsequent years not yet due and payable.
2. Alley rights over the East 16 feet of the North 100 feet of the Real Estate.

PERMITTED ENCUMBRANCES

EXHIBIT B

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44-3886-2